

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF STUDY

While today is the era of high technology achievement, a high performance is expected to be to norm, because many organizations demand for a high level of quality and overall business success. Lately, stress has become the major problem for the employers and employees in every sector and occupation. According to (Bars, 2006), basically, four elements should be taken into account as the main features of a project such as a goal, a group of people (project team), limited amount of money and specific duration time. From (e.g. Tarafdar, Tu, Ragu-Nathan 2007) perspective, most of the time, job stress has a direct effect on the project performance.

The growing of competition in project thus the level of stress among them increased. The job stress has resulted in unstable employer-employee relationship and the researcher found that the high levels of stress seriously effect on project performance and the commitment of employees and employers towards work. In addition, the cause of that problem is conflict, work schedules, budget, deadline of the project, workload, low morale, management style, long worker hour and lack of resources and equipment for the project.

According to (Goetzel et al., 1998), more than 45,000 employees show that the health care costs were 46 % higher for workers who experienced high levels of stress. This happens because it related to increased absenteeism. For example, the absenteeism costs organizations of dollars a year, that research by (Azman, Mohammad Fuad, Aimi, Hassan al-Banna, 2000).

The job stress can give many impacts to the performance of the project such as poor performance, delay work and lost future project. There are many ways to overcome that problems such as increase of resources. All workers include manager of the company must analyze their schedule, responsibilities and daily tasks. The other than that, cross – functional training and development and also we can conduct job rotation and job redesign as an approach.

1.2 PROBLEM STATEMENT

This research project is based on investigation the effect of job stress on project performance within an organization. So, every organization or industry the person who responsible to conduct the project task is project managers. They always need to deliver the deliverables according to planned cost, time and quality to ensure the satisfaction of their customers and stakeholders (Mantel, et al., 2009). But in the real situation, project managers normally cannot deliver projects according to their planning, because there are many factors that can give problem to the project delivering projects such as limited time, limited cost, high expectation of customers and etc. that give stressful to them. Normally every project will finish on time, no over budget mean no problem will happen when that project not faced any wrong and project managers no need to think additional or ways to finish projects as planned without effect to the requirement. Mean if no overload on the project that carry out by a person or a manager that the project will no faced any problem and they have ability to produce a product or services according to the expected that set up by their customers (Sunindijo, et. and ;Jaafar, et., 2009)

Based on study the current situation, many organizations or company demand for high level requirement for example they want high quality product, services and others overall business success, therefore the pressure is felt on managers who conduct that project. In addition to fulfill these requirement, with working in limitation of resources, time and workload, a project manager actually working under great level of stress (Noblet, et al., 2001). That stress will put drastic effect on employees especially project managers. This stress will be a big problem because they cannot meet the stakeholder expectation effect of physical, psychological and organizational burnouts (Khattak et al., 2011). That why most of the workers in organizations feel that their career is very stressful that in return decreases their productivity then effect to project performance (Shahid, 2012). In result of job stress, employee are absent from the organization and loose working hours (Pediwal, 2011). Job stress also will increase the turnover, which influences the employee as well as organizational productivity (Shankardass, 2009) From the previous study on Greenberg, Stiglin, Finkelstein and Berndt (1993), job stress produces a large number of undesirable effects for both individual and organization. In addition, to stress is rapidly growing in India, Turkey, Russia, China, Brazil, and developing countries or other eastern European. Others than that, job stress affects not only the employees' but also the organizations in the monetary and non-monetary costs.

Normally, job stress can be reduced by individuals or by institutions or some combination. For examples a team building program gathers all staff somewhere out of the office or their workplace and put them in a situation that give them to struggle with several natural and mental challenges in order to motivate them to learn how to solve the problem or crisis by team and personally. Cross-functional training and development is often an outgrowth of stress management programs that alert workers and managers to the fact that they change certain parts of their environment. However Job description, rotation and redesign often presupposes a certain amount of control over the work. Certainly, people or resources have an impact on what the job looks like (Ilgen & Hollenbeck, 1991) and that's why some company only focuses on adding resources to prevent this problem. These studies are necessary to identify which approach is most effective to use in the job stress reduction